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MEMORANDUM FOR:	Chief, Legislation Staff, OLC
FROM:	
SUBJECT:	Legislation Relating to Limits and Purchase Prices for Goods and Services
REFERENCE:	Memo fm C/LS/OLC dtd 3 July 78 to C/PMS/OL (OLC 78-2444)

- 1. A copy of the unprinted floor amendment furnished with reference has been reviewed by this Office to determine what impact, if any, it may have on Agency acquisition activity, especially as it is affected by the current prevailing inflation condition. The Office of Logistics and the Agency, in its acquisition process, subscribes to and supports any meaningful effort to curtail or eliminate inflation which is the goal of the proposed amendment to Section 615.
- 2. The Office of Logistics/PMS had a representative attend the initial strategy session on 26 May 78 conducted by OFPP at which time the "Anti Inflation Council" was established. It comprised those executive department components which spend the lion's share of the Federal Government's \$81 billion annual purchases of goods and services. This Council was to convene on 7 July 78 for a discussion of the draft OFPP instruction on the anti inflation issue preliminary to its issuance. It is expected that the DOD position (a Council member) will fully consider the many aspects of the inflation issue consistent with one of the exceptions stated by the President in his 18 May 78 memorandum and mentioned in Senator DeConcini's proposed amendment as follows:
  - ". . . (1) would seriously jeopardize our national defense, or . . ."

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3. Since Agency acquisition is generally accomplished under the Defense Acquisition Regulator (DAR) and our Agency effort concerns national defense, we do not foresee any serious obstacle resulting from enactment of the amendment to Section 615 proposed by Senator DeConcini.

cc: DDA

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